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12 Disability Allowance Plan for Employees represented by Local 85 of the Amalgamated Transit  
Union

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

15 In re THE PMI GROUP, INC. ) Case No.: C:08-1405 SI  
16 SECURITIES LITIGATION )  
17 ) STIPULATION AND [PROPOSED] ORDER  
18 ) RELATING CASES PURSUANT TO CIVIL  
 ) LOCAL RULE 3-12, AND EXTENDING  
 ) TIME FOR RESPONSE TO COMPLAINT

The undersigned counsel for plaintiff and defendants in the above-captioned action hereby stipulate and agree, subject to the Court's approval, as follows:

1. WHEREAS, plaintiff, The Port Authority of Allegheny County Retirement and Disability Allowance Plan for Employees Represented by Local 85 of the Amalgamated Transit Union ("ATU 85") commenced this shareholder derivative action against the above-named defendants arising from alleged breaches of fiduciary duties on behalf of nominal defendant The PMI Group, Inc., entitled, *The Port Authority of Allegheny County Retirement and Disability Allowance Plan for Employees represented by Local 85 of the Amalgamated Transit Union v. L. Stephen Smith, et al.*, in the Northern District of California as Case No. 3:08-CV-2046 ("Derivative Action");
2. WHEREAS on April 18, 2008, the Derivative Action was assigned to Judge Maxine M. Chesney;
3. WHEREAS, the Derivative Action arises from or involves similar facts and events and includes some common defendants as two class actions brought under and pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") that are currently pending before Judge Susan Illston in the United States District Court of the Northern District of California; *Lori Weinrib v. The PMI Group, Inc., et al.*, Case No. 08-CV-01405; and *Kimberly D. Holt v. The PMI Group, Inc., et al.*, Case No. 08-CV-01806, consolidated as *In re The PMI Group, Inc. Securities Litigation*, Case No. C-08-1405-SI ("Securities Class Action");
4. WHEREAS, were the Derivative Action and the Securities Class Action identified in paragraph 3 to be litigated before different judges, substantial duplication of labor may result; and
5. WHEREAS, relation of the Derivative Action to the Securities Class Action without consolidation and assignment of the Derivative Action to the Honorable Susan Illston, the Judge hearing the Securities Class Action, will promote the interests of judicial economy.

6. WHEREAS, the parties agree that defendants' time to respond to plaintiff's complaint should be extended to June 27, 2008.

7. WHEREAS, defendants reserve the right to seek a temporary or permanent stay of this action in favor of other actions brought in this Court or in other forums. Plaintiff likewise reserves the right to argue that this action should not be stayed, and that derivative actions brought in other forums should be stayed.

NOW, THEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:

1. In the interest of avoiding undue burden and conserving judicial resources, it is appropriate to conduct the Derivative Action and the Securities Class Action before a single judge.
2. The parties hereby jointly agree to and move for an order relating, without consolidation, the Derivative Action to the Securities Class Action pursuant to Civil Local Rule 3-12.
3. The parties hereby jointly agree to and move for an order pursuant to General Order 44(E)(1) reassigning the above-captioned action to Judge Susan Illston.
4. The parties hereby jointly agree that defendants' time to respond to plaintiff's complaint is extended to June 27, 2008.

DATED: May 12, 2008

Respectfully submitted,

BARRACK, RODOS & BACINE  
STEPHEN R. BASSER  
SAMUEL M. WARD  
JOHN L. HAEUSSLER

/s/ Samuel M. Ward  
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Attorneys for Plaintiff, the Port Authority Of Allegheny County Retirement and Disability Allowance Plan for Employees represented by Local 85 of the Amalgamated Transit Union

1 DATED: May 12, 2008

O'MELVENY & MYERS, LLP  
MEREDITH LANDY

2  
3 /s/ Meredith N. Landy  
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10  
11 Attorney for Defendants

12 I, Samuel M. Ward, am the ECF user whose ID and password are being used to file this  
13 Stipulation and [Proposed] Order for Reassignment to the Honorable Susan Illston, Judge,  
14 United States District Court, Northern District of California, Pursuant to Local Rule 3-12. In  
15 compliance with General Order 45, X.B., I hereby attest that Meredith N. Landy has concurred  
16 in this filing.

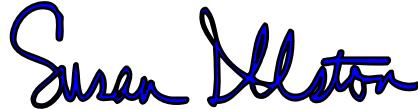
17  
18 /s/ Samuel M. Ward

19 SAMUEL M. WARD

20  
21 **ORDER**

22 PURSUANT TO STIPULATION, IT IS ORDERED.

23  
24 DATED: May \_\_\_, 2008

25  
26   
27 THE HONORABLE SUSAN ILLSTON  
28 UNITED STATES DISTRICT JUDGE